

Daily Economic News Summary: 25 November 2016

1. Amazon to sell Amul in nine overseas markets

Source: **Live Mint** ([Link](#))

Online marketplace Amazon India on Thursday said products from leading dairy brand Amul will be available in nine countries, starting with the US on 25 November. In May 2015, Amazon India launched its Global Selling program, under which Indian vendors can sell their products in nine countries including the US, the UK, Japan, Canada and France with a total consumer base of 300 million. Amul products will debut on the Global Selling platform on Black Friday in the US, which falls on 25 November.

“We are happy to announce an online exclusive partnership with Amul, the iconic and most loved dairy brand in India, giving Amul the access to new age digital shoppers. We are taking the brand to the doorstep (of consumers) across the country (US)” Gopal Pillai, director and general manager, seller services, Amazon India said in an interview. “Amul is (also) a part of Amazon Prime program, (for which) Amul is sending products to the fulfillment centers so that consumers can get products in a day or two. We are helping Amul with logistics, (product) returns, so they (Amul) don’t have to worry about anything,” he added.

2. Akai plans relaunch in India as a premium brand

Source: **Live Mint** ([Link](#))

Akai, a consumer electronics maker that is now based in Singapore, is attempting a comeback into the Indian market as a maker of premium products, discarding its earlier strategy of selling low-priced products. Akai introduced its range of colour televisions in India in 1995 at Rs9,999, significantly cheaper than the prices of rival brands available at that time and captured a large share of the market. However, its popularity quickly fizzled out because of ill-conceived strategies and an onslaught by South Korean brands such as LG and Samsung. This time, “we have taken a conscious decision not to play the price warrior card. In the TV space, we’ll be just below the top three brands, and above the others,” said Anurag Sharma, director, Hometech Digital Pvt. Ltd, a part of New Delhi-based Paras Group that has a 10-year licence starting July 2016 to sell Akai products in India. Paras Group already sells products of electronics brands including Sony, LG Electronics, Nikon, Tata Sky, Motorola and Gionee. Hometech has done a soft launch of the brand in October, introducing LED TVs and washing machines. It plans to introduce air conditioners, home theatres, air purifiers and refrigerators over the next few months. “Products will be priced about 20% below top brands like Sony, Samsung and LG, and 10-15% above the likes of Panasonic, Videocon, Micromax and Intex,” said Sharma.

3. Renewable energy firm ACME Cleantech raises Rs500 crore

Source: **Live Mint** ([Link](#))

Delhi-based renewable energy and telecom solutions company ACME Cleantech Solutions Pvt. Ltd has raised Rs500 crore from Ajay Piramal-controlled Piramal Enterprises Ltd. The investment in ACME was done by Piramal Enterprises's Structured Finance Group, which provides structured mezzanine funding to companies in various sectors, especially in infrastructure. *Mint* had reported in August that ACME was in talks to raise funds from Piramal. "The funds are being used for funding the working capital requirements of the group," said Nikhil Dhingra, group director for finance, ACME. Part of the funds will also go towards a buyout of ACME'S foreign partners, he added. In 2013, French firm EDF Energies Nouvelle and Luxembourg-based EREN Renewable Energy had each picked up a 25% stake in ACME.

ACME currently has a total portfolio of around 1.5 gigawatts (GW) of solar energy projects. Of this, around 600 megawatts (MW) is operational and 400MW is under various stages of construction. The firm has signed power purchase agreements for another 500MW. By the end of 2016-17, the company aims to have an operational portfolio of 1GW. ACME has solar power projects in Telangana, Andhra Pradesh, Punjab, Gujarat, Madhya Pradesh, Odisha, Bihar, Uttar Pradesh and Chhattisgarh.

4. Infrastructure group JSW plans to make electric cars, sources say

Source: **Business Standard** ([Link](#))

Sajjan Jindal's steel-to-power JSW Group plans to diversify into electric car manufacturing, two sources told Reuters, as the government boosts support for non-polluting vehicles. Electric vehicles that use expensive batteries have failed to take off in cost-conscious and power-deficient India, despite enjoying incentives like low taxes from the government that has set a goal of raising the number of such vehicles to up to seven million units by 2020, from just around 20,000 now. But debt-laden JSW believes government help — as promised by Transport Minister Nitin Gadkari on a visit to US electric car maker Tesla Motors' factory near California this year — and its own supply of steel can make its cars more competitive, said one of the sources with knowledge of the matter. Mahindra and Mahindra is the only Indian firm that makes electric cars, but sales have been softer than expected. JSW's electric car plans have been endorsed by Gadkari, said the source. Gadkari, during his US visit, offered to help Tesla set up plants in India and seek local partners, according to a statement from his ministry. Gadkari could not be reached for comment.

5. Flipkart may seek investment banks help to raise funds

Source: **Live Mint** ([Link](#))

After raising cash with relative ease at successively higher valuations in most of its funding rounds, online marketplace Flipkart is now considering appointing an investment bank for the first time in years to try and attract new investors to its next round of funding, four people familiar with the matter said. India's most valuable Internet company has held talks with several investment banks including Goldman Sachs Group Inc. as it decides on getting help to raise funds, the people cited above said on condition of anonymity. Over its past four funding rounds, in which the company together raised some \$2.6 billion, Flipkart didn't need the services of an investment bank because of its unrivalled status as India's largest e-commerce firm and one of the world's most attractive e-commerce start-ups. Now, with Amazon India breathing down its neck, new investors are much more wary of backing Flipkart, prompting the company to explore using a blue-chip investment bank. The company hasn't yet decided whether it will finally give the mandate to a bank or go on its own, the people said. Flipkart, including its fashion sites Myntra and Jabong, has a burn rate of roughly \$40 million per month, the people cited above said. At that rate, the company has enough cash to last 18-20 months, they added.

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